

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 THE ENVIRONMENTAL IMPACT STATEMENT**

#### **1.1.1 The Purpose of the Environmental Impact Statement**

In recognizing the importance of protecting the environment, the U.S. Congress enacted the National Environmental Policy Act of 1969 (NEPA) to encourage Federal agencies to make decisions that are based on understanding environmental consequences, and take actions that protect, restore and enhance the environment. NEPA requires Federal agencies to treat environmental impact as a primary criterion in evaluating a Proposed Action. It also requires Federal agencies to analyze and consider alternatives to and the environmental impacts of Proposed Actions; to disclose and consider mitigation for those impacts; and to provide interested parties with an opportunity to participate in the environmental review process. Federal agencies must also consider a “No Action” Alternative. Furthermore, NEPA requires Federal agencies to consider a Proposed Action’s environmental consequences along with the agency’s statutory mission and technical factors related to their areas of expertise.

#### **1.1.2 FAA’s Environmental Responsibilities**

The FAA is responsible for analyzing the environmental impacts and consequences of proposed Federal actions involving airports, for the environmental assessment and related documents, and ultimately for approving or disapproving the environmental documents and the Federal action.<sup>1</sup>

An Environmental Impact Statement (EIS) is being prepared by the Federal Aviation Administration (FAA) in compliance with NEPA and in accordance with the requirements of *FAA Orders 1050.1, “Policies and Procedures for Considering Environmental Impacts,” 5050.4, “Airport Environmental Handbook”* and Council of Environmental Quality (CEQ) Regulations (40 CFR 1500-1508) that implement the procedural provisions of NEPA. The purpose of the EIS is to consider the environmental effects of the Proposed Action and alternatives to the Proposed Action and to provide decision-makers and the public with sufficient information to make informed decisions in planning for future actions. This chapter provides information about the EIS process. As an introduction to this report, this chapter also includes a summary about the airport’s role and history, provides current data about the airport’s users, and reviews national trends and information about the aviation forecast.

In December 2001, the FAA published a Notice of Intent (NOI) to prepare an Environmental Impact Statement for improvements associated with the existing air carrier Runway 12-30, including railroad relocation and improved runway safety areas; an extension of the existing air carrier Runway 12-30;

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<sup>1</sup> Federal Aviation Administration. Executive Order 5050.4A, *Airport Environmental Handbook*. 1985.

expansion of the existing terminal site; and analysis of sites for new passenger terminal and air cargo areas.<sup>2</sup> Public and agency scoping meetings were held in January 2002 to receive comments regarding the scope of the analysis to be conducted during the EIS process and to identify all significant issues related to the Proposed Actions. These comments have been used in preparing the Draft EIS documentation. The public and agency comments regarding scoping were received by the FAA, reviewed, and are compiled as an Appendix to this EIS. A comment database, including scoping comments, will be used throughout the EIS process.

### **1.1.3 Document Organization**

The EIS documentation being prepared by the FAA contains the text of analysis and associated exhibits. The format of that document is as follows:

**Chapter 1, Introduction** – provides information about the EIS and why it is being prepared along with the airport's role, airport history, current data about the airport, national trends and information about the aviation forecast.

**Chapter 2, Purpose and Need** – provides a discussion of the purpose of the Proposed Action and why it is needed.

**Chapter 3, Alternatives** – provides a discussion of the alternatives analyzed as part of the environmental process, a discussion of the criteria for evaluation, and a matrix for determining which alternatives meet the purpose and need and which alternatives will or will not be retained for detailed analysis in Chapter 5, Environmental Consequences, of this EIS.

**Chapter 4, Affected Environment** – describes the existing environmental conditions in the proposed study area.

**Chapter 5, Environmental Consequences** – describes the impacts of the various development alternatives on select environmental resource categories.

**Chapter 6, Cumulative Impacts** – discusses consistency with approved state or local plans or laws and overall cumulative impacts.

**Chapter 7, List of Preparers and List of Parties to Whom Sent** – provides information regarding the preparers of the EIS and a list of Federal, state, and local agencies and other parties receiving a copy of the EIS.

**References** – provides a list of the references used in the preparation of the EIS.

**Index** – provides an alphabetical index locator of key sections in the EIS.

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<sup>2</sup> *Federal Register*, Volume 66, No. 232, Monday, December 3, 2001.

**List of Abbreviations, Acronyms, and Glossary** – provides a list of the abbreviations, acronyms, and glossary of terms used in the EIS.

**Technical Appendices** – contains various appendices to the EIS related to technical information, coordination, and other reference materials. The following technical appendices are included:

Appendix A - Public Scoping Process Documentation

Appendix B - List of Reports, Working Papers, and Technical Papers, including relevant excerpts from the 2001 Airport Master Plan Update, Gary/Chicago Rail Relocation Study, and Indiana Army National Guard Environmental Assessment

Appendix C - Agency Correspondence and Coordination Memos Subsequent to Scoping Process

Appendix D - Record of Meetings Subsequent to Scoping Process

Appendix E - Public Comments Subsequent to Scoping Process

Appendix F – Air Quality Construction Emissions Calculations

#### **1.1.4 Cooperating Agency**

No agency has requested to be a cooperating agency on this project. However, coordination with Federal, state, and local agencies will continue to be an integral part of the EIS process. The Indiana Army National Guard and the National Guard Bureau, within the Department of Defense, have an ongoing environmental process of their own for Proposed Homeland Defense Mission Improvement (helicopter base) on the airport. From informal discussion, it appears that it is not contemplated that they will be cooperating agencies for this EIS, although the FAA has asked to be a cooperating agency on the Guard project. It is expected that both the Guard Environmental Assessment and this EIS will be coordinated through inclusion of each of the other's projects in the cumulative impacts reviews in each document.

## **1.2 BACKGROUND**

### **1.2.1 History**

Aviation has a long history in northwestern Indiana. Octave Chanute pioneered the use of strut and diagonal wing bracing in aircraft, and has been credited with building the foundation upon which the successful Wright flights were based. He flew over 2,000 flights in heavier-than-air gliders from the windy dunes of Gary. The results of these flights were published in the Journal of Western Society of Engineers, which attracted the attention of Wilbur Wright. Growth in the Gary area was initially driven by the construction of the Gary Works by the United States Steel Corporation in the early 1900s.<sup>3</sup> Gary's ideal Midwest location, with expansive, inexpensive land adjacent to Lake Michigan, reduced

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<sup>3</sup> Gary/Chicago Airport Authority, prepared by HNTB Corporation. *Gary/Chicago Airport Master Plan Update*. Chapter 2. November 2001.

transportation costs of the manufactured steel to western portions of the country. The City of Gary was incorporated in 1906 and named after Judge Elbert Gary, Chairman of the Board of Directors for the United States Steel Corporation.<sup>4</sup> Development and population in the area increased with the growth of the steel industry.

Gary/Chicago International Airport began its immediate history in 1939 when the city created a Board of Aviation Commissioners. The land at the current airport site was purchased for approximately \$180,000. World War II delayed the actual development of the Gary/Chicago International Airport; and, in 1943 the land was donated to the Federal government to be used as a site for a synthetic rubber plant. Site work was accomplished for the synthetic rubber plant, but no facilities were built. The land was returned to the city for airport development in 1947. Gary Municipal Airport (name when first opened) came into existence when the runways were built in 1949 and extended in 1950. In approximately 1954, the Federal government developed a Nike missile site on the airport. This missile site was active until about 1965/66 when the missile battery was deactivated. In the late 1960s, the barracks at the Nike missile site were deactivated. The Nike Missile site has been part of the Formerly Used Defense Site (FUDS) remediation program.

During the 1960s, the Chicago area airports became the busiest airports in the world. Although Gary had limited commercial passenger service in the 1950s, Chicago Midway Airport was the dominant facility in the region. The introduction of larger jet transports required expanded airport facilities, and Midway's replacement, Chicago O'Hare International Airport, opened for commercial traffic in 1955, with all scheduled Midway traffic transferred to O'Hare in 1962.<sup>5</sup> This coincided with the completion of much of the interstate highway system, including the Tri-State Tollway (I-294), which allowed for quick and efficient travel between northwest Indiana and Chicago, including O'Hare International Airport. The interstates also permit easy access to Gary/Chicago International Airport.

The Gary/Chicago International Airport has received Federal funds since 1949 for airport construction and development. The City of Gary has used a general obligation bond to finance terminal development and other facilities. The investments in facilities at Gary/Chicago International Airport have allowed aviation activities to increase in the areas of business and corporate aviation, passenger charter, and on-demand cargo, with service from scheduled passenger airlines occurring during some periods. The existing facilities do not conform to the current FAA safety standards. The Gary/Chicago Airport Authority is proposing to invest in the near-term improvements under review in this EIS being prepared by the FAA in an attempt to address these shortcomings.

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<sup>4</sup> Gary/Chicago Airport Authority, prepared by HNTB Corporation. *Gary/Chicago Airport Master Plan Update*. Chapter 2. November 2001.

<sup>5</sup> City of Chicago, Department of Aviation, 2004, O'Hare Then and Now, Internet website, <[http://www.ohare.com/ohare/about/timeline/ohare\\_timeline.shtml](http://www.ohare.com/ohare/about/timeline/ohare_timeline.shtml)>.

It should be noted that while Chapter 2, Purpose and Need, of this EIS focuses on bringing Gary/Chicago International Airport into conformity with FAA design standards, it also addresses the facility requirements and improvements needed by commercial service aircraft. Additionally, the Gary/Chicago International Airport continues to serve and invest in facilities for general aviation users, including business and corporate aviation. Various ongoing general aviation facility improvements having an independent utility from the Proposed Actions under study in this EIS are being reviewed outside of the EIS and are addressed by separate environmental actions. All on-going improvements will be considered as part of the cumulative impacts analysis in Chapter 6, Cumulative Impacts, of this EIS.

### **1.2.2 Airport Location**

Gary/Chicago International Airport is located in northern Indiana, just south of Lake Michigan, in Lake County. The Gary/Chicago International Airport is three miles northwest of downtown Gary, Indiana, at 41° 36' 58.583" N latitude and 87° 24' 46.037" W longitude. The Gary/Chicago International Airport has an elevation of 592 feet above sea level, and encompasses 640 total acres. The City of East Chicago is located northwest of the Gary/Chicago International Airport, and the City of Hammond is located to the southwest. Downtown Chicago, Illinois, is located approximately 25 miles or 35 minutes driving-time away, as estimated by airport staff. The location of Gary/Chicago International Airport is shown in **Exhibit 1-1**.

The Gary/Chicago International Airport property is bordered by the Elgin, Joliet & Eastern (EJ&E) Railway to the west, the Indiana Toll-Road (I-90) to the west and south, the Grand Calumet River to the south and Industrial Highway (US Route 12) to the northeast. These physical boundaries impose constraints upon the development of the Gary/Chicago International Airport airfield facilities. The existing Gary/Chicago International Airport property line is shown in **Exhibit 1-2**.

The EJ&E Railway is a belt line railroad in the greater Chicago area. EJ&E Railway's tracks extend from the Lakefront line that serves U.S. Steel Corporation and the State Line Generating Plant around Chicago from Gary, Indiana to Joliet, Illinois to Waukegan, Illinois. Eight to twelve trains a day use the portion of the EJ&E Railway line that is adjacent to the airport. Two thirds of the traffic on this portion of the railway occurs at night. The EJ&E Railway delivers raw materials to industrial facilities such as U.S. Steel and the State Line Generating Plant and delivers finished goods from industrial facilities to main line railroads. All of the rail traffic using this portion of the EJ&E Railway is freight with approximately 2 to 4 operations per day conducted by coal trains; the remaining operations provide movement of merchandise (such as steel). The coal trains may be as long as 125-135 cars and weigh 17,000-18,500 tons (includes weight of the coal load, cars, and engines). The merchandise trains



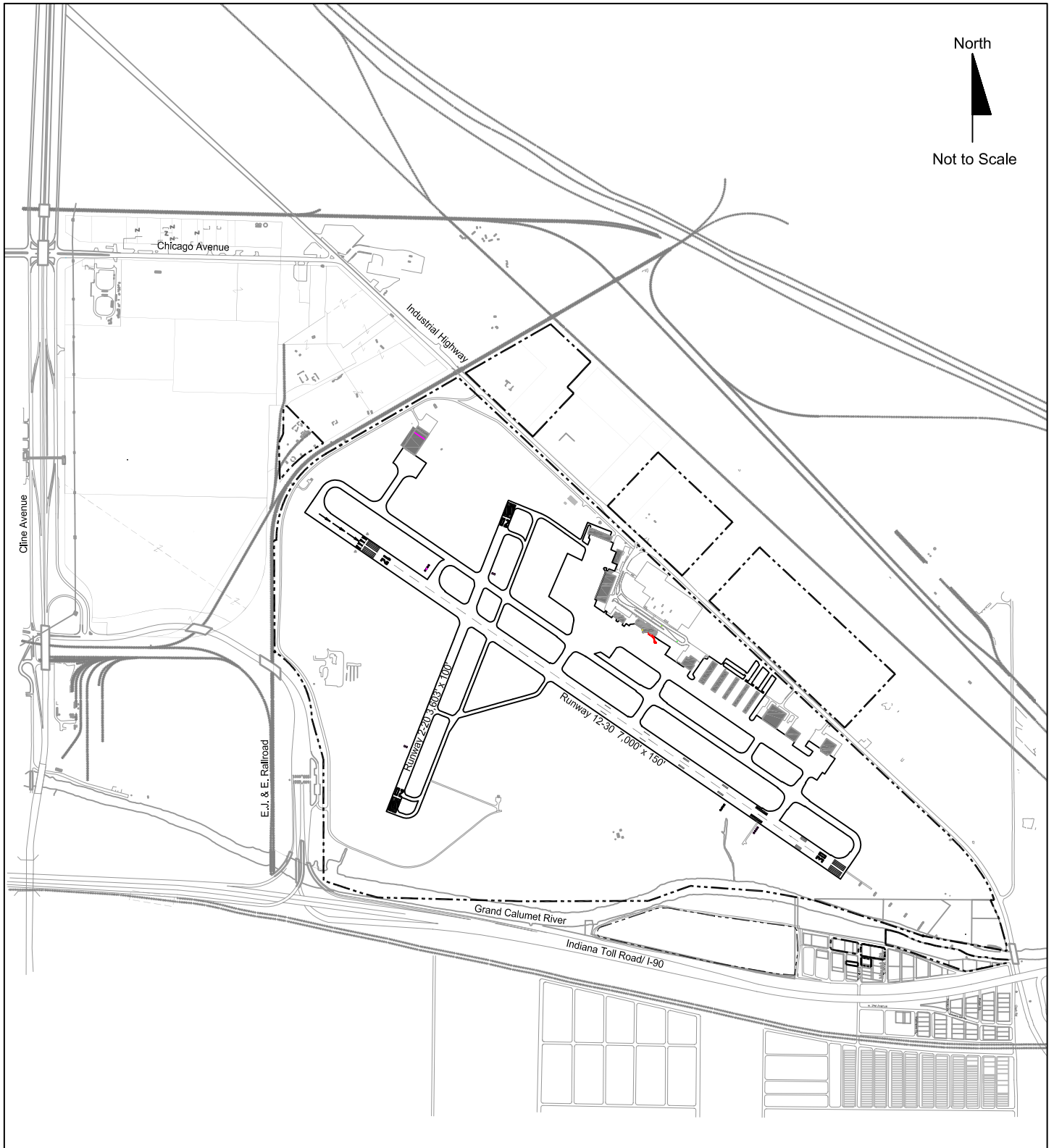


Source: Gary/Chicago Airport Master Plan Update, November 2001, HNTB



## EXHIBIT 1-1 Location Map

April 8, 2004



Source: Aerofinity, 2004 from Gary/Chicago Mater Plan Update, November 2001, HNTB

----- Airport Property Line



## EXHIBIT 1-2 Existing Airport Property Boundary

April 8, 2004

range from 25 to 100 cars. There are normally 2 to 3 engines per train.<sup>6</sup> The EJ&E Railway is currently part of Transtar, Inc., a transportation company owned by U.S. Steel.

Industrial Highway is a four-lane highway providing access to the Gary/Chicago International Airport. Industrial Highway passes under the EJ&E Railway and the Indiana Toll Road.

The Grand Calumet River is about 16 miles long and has a basin area of approximately 62 square miles. The river originates in the east end of Gary and flows westward through the heavily industrialized cities of Gary, East Chicago and Hammond. In the early 19th century, the Grand Calumet was a sluggish river that drained into Lake Michigan at mouths on both its western and eastern ends. In the 1870's the Federal government built a harbor at the Illinois mouth of the river (western end), which allowed water to flow westward more easily. As a result, there was a decrease in discharge to the river, an increase in vegetation, and an increase in accumulated sand at the eastern mouth of the river. Around 1872, the eastern mouth closed and receded into a lagoon at what is now Marquette Park in Gary, reversing the direction of the river and making it flow westward. In 1901, the Indiana Harbor Ship Canal, which runs north from the middle of the river to Lake Michigan, was built. The canal divides the East and West Branches of the Grand Calumet River. Approximately 90% of the river's flow originates as municipal and industrial effluent, cooling and process water and storm water overflows. The majority of the flow in the East Branch of the Grand Calumet drains into Lake Michigan through this canal.<sup>7</sup>

Initial portions of the Indiana Toll Road (I-90) opened in 1956 and were completed over the next decade. It extends across northern Indiana for 157 miles running parallel to the Indiana/Michigan border from the Illinois state line to the Ohio state line. The Toll Road is often referred to as the "Main Street of the Midwest" as it connects major urbanized areas in northwest Indiana and the City of Chicago.<sup>8</sup> In the vicinity of the Gary/Chicago International Airport, the Toll Road is an elevated highway with two travel lanes in each direction. There are plans to expand this section of the Toll Road to three travel lanes in each direction and lower it. These are described in Chapter 6, Cumulative Impacts, of this EIS.

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<sup>6</sup> EJ&E Railway, Train Dispatcher Office Records, October 22-26, 2001, with updated information provided by TranSystems, 2004.

<sup>7</sup> U.S. Environmental Protection Agency. 2001. *Great Lakes Areas of Concern: Grand Calumet Area of Concern*. Internet Web Site. <<http://www.epa.gov/glnpo/aoc/grandcal.html>>.

<sup>8</sup> Wilbur Smith Associates. *Indiana Toll Road Long Range Needs Study*, April 1997.



### 1.2.3 Airport Role

The Gary/Chicago International Airport is a commercial service primary airport<sup>9</sup> located in Northwest Indiana. Southeast Airlines provides service as a Federal Aviation Regulations Part 121 supplemental carrier from Gary/Chicago International Airport to Florida with MD-80 and DC-9 aircraft. In February 2004, service was initiated to St. Petersburg with four flights per week. A second Florida destination (Orlando) will be served from Gary/Chicago International Airport in May 2004, with a total of eleven flights per week anticipated at that time. The airport has a full Federal Aviation Regulations (FAR) Part 139 certificate and meets the equipment requirements necessary for classification as an Index C airport. Index C means that an airport is capable of regularly serving aircraft with a length of up to 159 feet, such as a Boeing 727 or Boeing 757. The required index is determined by the number of seats of the largest passenger aircraft departing from the airport an average of five or more times a day.

Charter, corporate jet, general aviation and on-demand cargo operators have been the primary users at the Gary/Chicago International Airport during the last decade. Through the years, Gary/Chicago International Airport has attracted scheduled/charter passenger service. Most recently, Southeast Airlines has initiated low-cost scheduled charter service to Florida. Prior to Southeast Airlines, Pan Am Airlines provided flights to and from Florida destinations using Boeing 727-200 aircraft, beginning in 1999 and suspending service in 2002. Casino Express provides periodic charter service to and from Elko, Nevada, using Boeing 737 aircraft. The Boeing Company has its headquarters located in downtown Chicago. All the corporate aircraft serving the Boeing headquarters are based at the Gary/Chicago International Airport. These aircraft include a Boeing Business Jet (BBJ) - similar to a 737 but equipped for non-stop intercontinental flight, two Challenger 604s – long-range corporate jets, and two Lear 60s – to be replaced with Challenger 604s in 2004. Currently, Boeing's BBJ typically makes one to two trips per week. In addition, BBJs operated by Exec Jet and others periodically use the Gary/Chicago International Airport. Current cargo activity, which occurs on demand on an irregular basis, continues to include activity by some of the largest aircraft users at the Gary/Chicago International Airport. In addition, the airport has an agreement with United Airlines to make its facilities available for a diversion should this be required. This agreement does not limit the size or number of aircraft that would be accommodated.

Another aspect in establishing the role of the Gary/Chicago International Airport in the National Airspace System is the establishment of an appropriate Airport Reference Code (ARC) for the airport, which determines the FAA airport design criteria to which the airport must comply. The ARC is comprised of two components: (1) the aircraft approach category, which represents the approach speed of the aircraft and (2) the aircraft design group, which is based on the wingspan of the aircraft.

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<sup>9</sup> Fiscal year 2003 FAA funding classification is based on calendar year 2001 enplanements; Airport enplanements were less than 10,000 during calendar years 2002 and 2003 so the airport will not be classified as commercial service primary for a two year period; however, the airport expects to exceed 10,000 enplanements during calendar year 2004 (based on Southeast Airlines activity).

To determine this, the FAA specifies that the airport operator establish a critical aircraft or class of aircraft that uses the airport to be the basis of the design criteria to be used at that airport. This critical aircraft determines the specific separation standards that should be applied to airport facility design, such as runway/taxiway widths, building setbacks, etc. The critical aircraft is determined by the airport owner, identifying the most demanding aircraft or group of aircraft that makes substantial use of the Gary/Chicago International Airport. "Substantial use" means either 500 or more annual itinerant operations, or scheduled commercial service.

The FAA design criteria for an airport are categorized by ARC, which takes into account both the aircraft's approach speed and wingspan, linking airport dimensional standards and separation criteria to the physical characteristics of the aircraft. The aircraft approach categories and specific aircraft design groups are shown in **Exhibits 1-3** and **1-4**, respectively. The ARC for the Gary/Chicago International Airport is C-III, based on the current, conditionally approved 2001 Airport Layout Plan (ALP). Four aircraft that are users of Gary/Chicago International Airport have been identified as representative of ARC C-III aircraft. They are: the MD-80, B737, DC-9, and B727. The B727-200 aircraft is the largest of these aircraft and still represents the most-demanding ARC C-III user of Gary/Chicago International Airport. Accordingly, the 2001 Airport Layout Plan identifies the B727-200 as the critical aircraft.

The Gary/Chicago International Airport is owned and operated by the Gary/Chicago Airport Authority, comprised of four members appointed by the Mayor of Gary. Because of the proximity of the Gary/Chicago International Airport with Downtown Chicago, Illinois (located approximately 25 miles or 35 minutes driving-time away, as estimated by airport staff) a compact between the City of Chicago and the City of Gary established the Chicago/Gary Regional Airport Authority in 1995. The Regional Airport Authority is charged with developing and coordinating plans for airports in Chicago and Gary. The compact also allows for a small percentage of the Passenger Facility Charges (PFCs) collected at Midway and O'Hare airports to be used for projects at Gary/Chicago International Airport.<sup>10</sup>

<b>EXHIBIT 1-3</b> <b>GARY/CHICAGO INTERNATIONAL AIRPORT</b> <b>Aircraft Approach Categories</b>	
<b>Approach Category</b>	<b>Approach Speed</b>
A	Less than 91 knots
B	91 knots or more, but less than 121 knots
C	121 knots or more, but less than 141 knots
D	141 knots or more, but less than 166 knots
E	166 knots or more

Source: AC 150/5300-13 (with changes)/2001 Airport Master Plan Update

<sup>10</sup> Gary/Chicago Airport Authority, prepared by HNTB Corporation. *Gary/Chicago Airport Master Plan Update*. Chapter 2. November 2001.

**EXHIBIT 1-4**  
**GARY/CHICAGO INTERNATIONAL AIRPORT**  
**Aircraft Design Groups**

Design Group	Wingspan Criteria
Group I	Up to but not including 49 feet
Group II	49 feet up to but not including 79 feet
Group III	79 feet up to but not including 118 feet
Group IV	118 feet up to but not including 171 feet
Group V	171 feet up to but not including 214 feet
Group VI	214 feet up to but not including 262 feet

Source: AC 150/5300-13 (with changes)/2001 Airport Master Plan Update

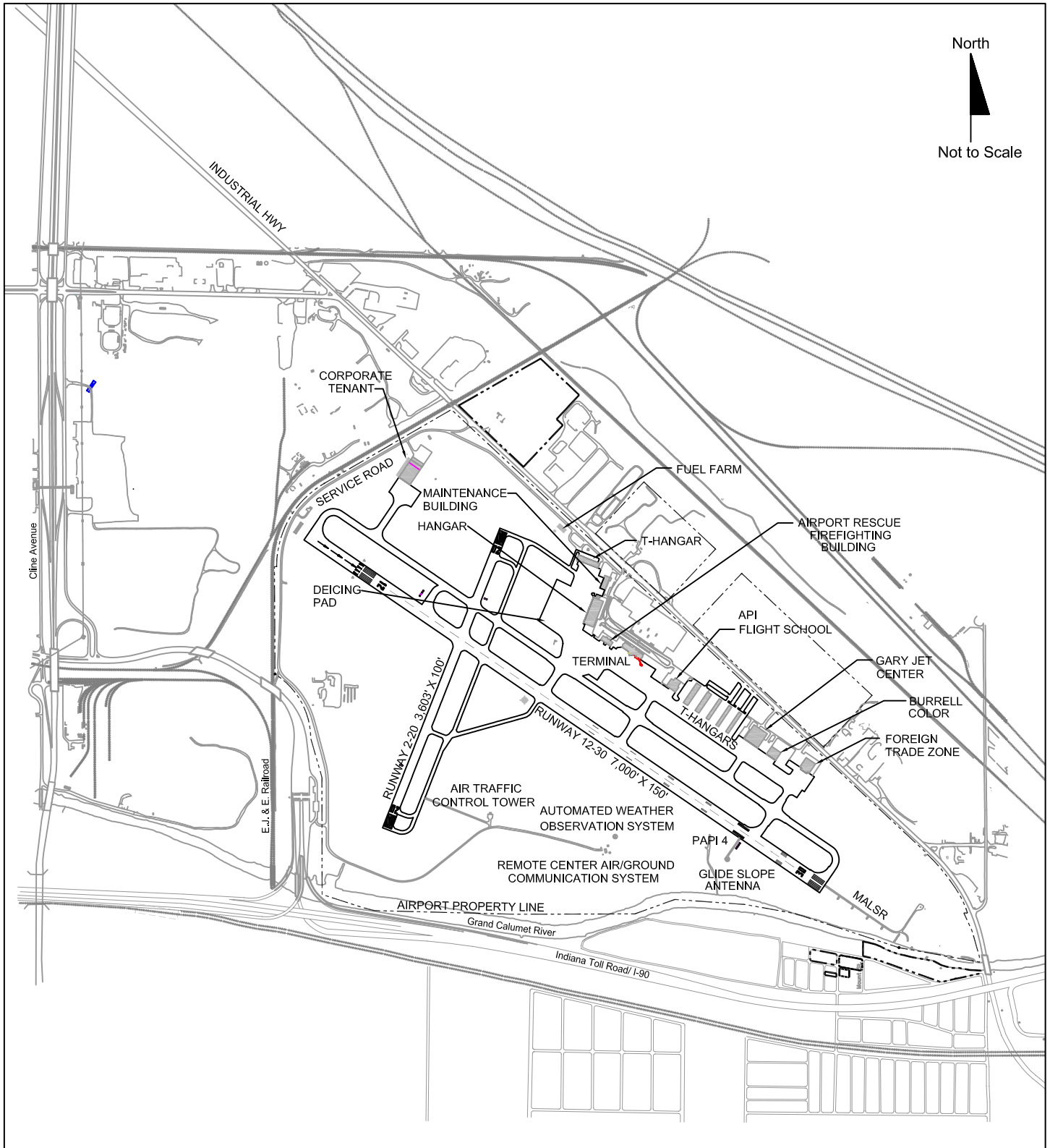
#### **1.2.4 Existing Airport Facilities**

The main physical components of the airfield at Gary/Chicago International Airport, as they exist in February 2004, are described in the following section. Details of the Gary/Chicago International Airport's runways, taxiways, terminal area, apron areas, cargo facilities, general aviation facilities, navigational aids, airspace and airport traffic control and other support facilities are discussed in this section. Existing Gary/Chicago International Airport facilities are shown in **Exhibit 1-5**.

##### ***Runways***

The existing airfield configuration at Gary/Chicago International Airport consists of two active runways. Runway 12-30 is the primary runway, with a length of 7,000 feet and a width of 150 feet. The primary runway does not conform to the current FAA design standards. Because of this, the northwest end of Runway 12-30 is marked with a displaced threshold of 715 feet due primarily to the location of an elevated railroad track (landing threshold 715 feet from physical end of runway pavement due to railroad obstruction). This results in a landing length of 6,285 feet for aircraft landing on Runway 12. The FAA design standard deficiencies for Runway 12-30 are discussed further in Chapter 2, Purpose and Need, of this EIS. Runway 2-20 serves as a crosswind runway used primarily by light general aviation (GA) aircraft; it has a length of 3,603 feet and a width of 100 feet. There are no displaced thresholds on Runway 2-20.

The runways are adequately marked and lighted to facilitate safe day and night operations. High Intensity Runway Lighting (HIRL) is installed on Runway 12-30. Runway 2-20 is lighted with Medium Intensity Runway Lights (MIRL). Both Runways 12-30 and 2-20 are served by full-length parallel taxiways and other connecting taxiways. Parallel Taxiway A is north of Runway 12-30 and is laterally offset from the runway by 392 feet; it has a width of 75 feet. Six taxiways connect parallel Taxiway A to Runway 12-30.



Source: Aerofinity, 2004 from Gary/Chicago Master Plan Update, November 2001, HNTB



## EXHIBIT 1-5 Existing Airport Facilities

April 8, 2004

### ***Terminal Building***

The existing passenger terminal building is located north of Runway 12-30. The existing terminal building is a one-level structure (approximately 16,000 square feet) which houses airline ticket counter (approximately 49 linear feet) and related airline office space, a passenger waiting area, a baggage claim area, a concessions area, and a building mechanical area. The building was originally constructed in 1982 and underwent a major renovation in 1999. **Exhibit 1-6** shows the plan layout of the terminal building. Detailed statistics on the uses of areas within the existing terminal are included in Chapter 2, Purpose and Need, of this EIS.

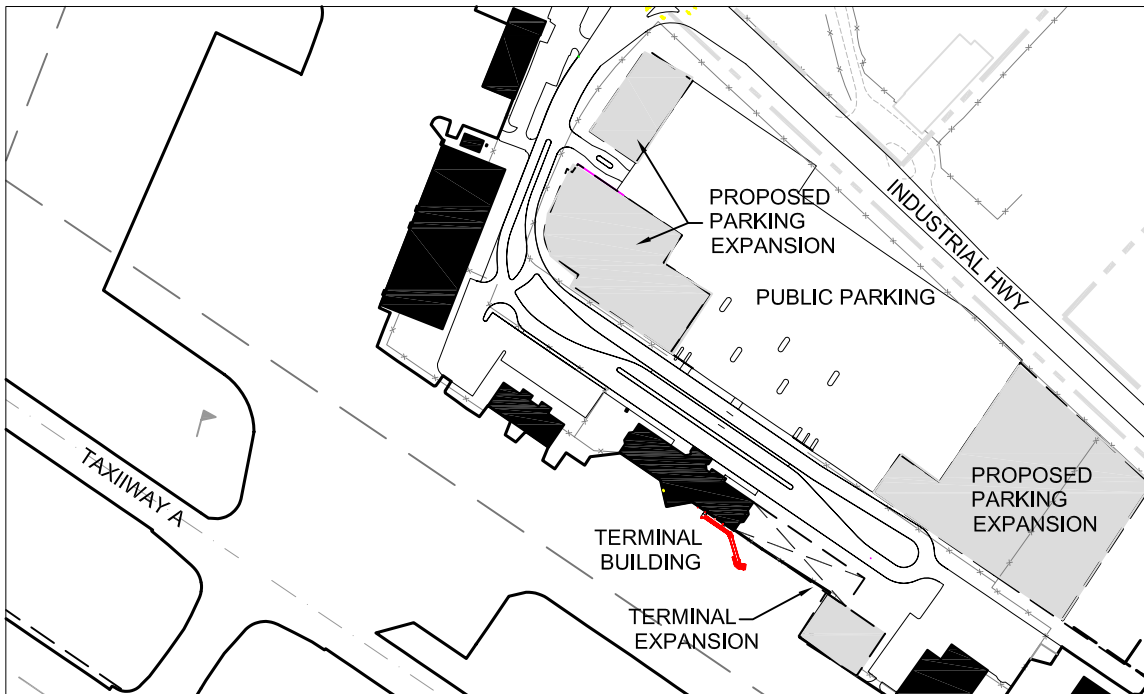
The terminal has a single departure lounge, with three aircraft gates, and a separate entryway for arriving passengers. There is one passenger loading bridge; exit and entry to other aircraft gates is provided via stairs. The facility is capable of housing two or three regional airlines based on counter space and has facilities for ticketing, baggage and passenger screening. The building now houses Southeast Airlines. It also houses Enterprise and Hertz Rent-A-Car.

The concrete aircraft parking positions on the terminal ramp were completed in the late 1990s. A 4,800 square-yard deicing pad, with facilities for capturing used glycol, has been built directly in front of the terminal. The deicing pad has two parking positions that allow for simultaneous deicing of aircraft.

The terminal is served by a single-level roadway with public, surface parking lots located to the north of, and adjacent to, the terminal building as shown in Exhibit 1-6. An 800-space automobile parking lot is located directly in front of the terminal building. The Gary/Chicago Airport Authority plans to use local funding to expand this parking lot by approximately 570 spaces in the immediate future to meet the passenger parking demands that exist in 2004. Expansion of the automobile parking lot was not identified as a need in the 2001 Airport Master Plan and was not anticipated as a part of this EIS study process. Two reasons have been identified as the reasons that automobile parking demand is so high in 2004: the longer traveler stays that occur by passengers of Southeast Airlines than might be the norm and the free parking offered at Gary/Chicago International Airport. This project has independent utility and will be environmentally reviewed outside of this EIS.

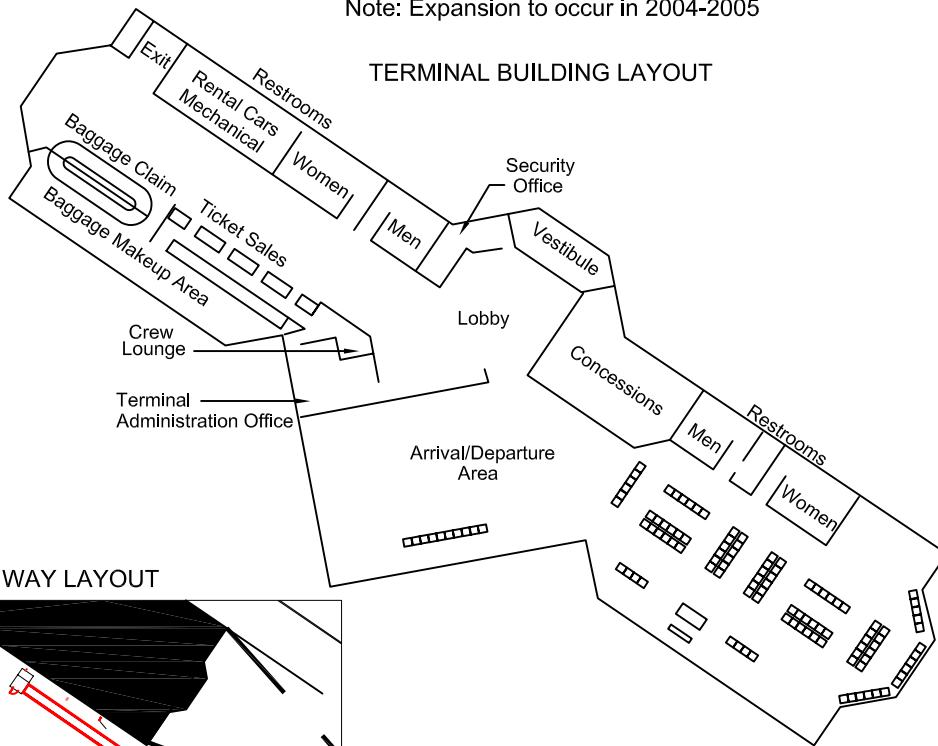
In 2004-2005, the terminal building and apron are to undergo an expansion to provide the area needed to meet increased security and baggage handling requirements (an immediate response to post-September 11 requirements) and to relieve existing crowded conditions resulting from the overlapping of arrival and departures of passengers associated with Southeast Airlines quick turnaround of aircraft (an immediate response to recent new scheduled charter service entrant). The immediate terminal and aircraft parking apron expansions are proposed to occur to the east of the existing terminal. Up to 15,000 square feet of terminal building expansion is anticipated during 2004-2005; approximately 1,250 square yards of aircraft parking apron expansion is anticipated during 2004-2005. The terminal building and aircraft parking apron expansions have independent utility and will be environmentally



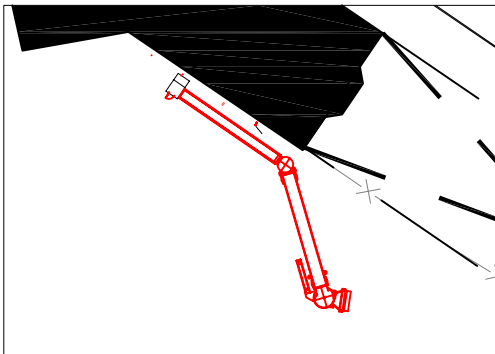


Note: Expansion to occur in 2004-2005

#### TERMINAL BUILDING LAYOUT



#### JET WAY LAYOUT



## EXHIBIT 1-6 Existing Terminal Configuration

reviewed outside of the EIS. All three expansions, the automobile parking lot, aircraft parking apron, and terminal building, have been shown on Exhibit 1-6.

### ***Cargo Facilities***

Gary/Chicago International Airport operates US Customs and has a Foreign Trade Zone designation. Gary/Chicago International Airport is also part of 8,200 acres of an airport development zone with all tax and investment benefits.<sup>11</sup> In 2003, Gary Jet Center reported 1,076 tons of inbound and outbound air freight activity. This cargo activity occurred in areas used for various aviation-related activities, on an aircraft parking apron that is approximately 8,600 square yards and using a building that is approximately 17,500 square feet in size.

### ***General Aviation Facilities***

There is one fixed base operator (FBO), Gary Jet Center, with a hangar located east of the passenger terminal building. There are also several hangars for both general aviation and corporate aircraft use, located at the airport. Six of these hangars are t-hangars able to house a total of 56 general aviation aircraft; the remaining hangars are larger corporate hangars. These facilities are shown on Exhibit 1-5.

### ***Navigation Aids (Nav aids)***

The airport is served by a number of navigational and landing aids designed to assist pilots. The airport is equipped with an Instrument Landing System (ILS) approach to Runway 30 with a Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR). Runways 2, 12, and 20 have Runway End Identifier Lights (REILs). All runways are served by and Precision Approach Path Indicator (PAPI) lights.

The airport is also served by radio electronic guidance nav aids. In addition to the ILS approach to Runway 30, Runway 2 has a Very High Frequency (VHF) Omni-Range (VOR) with Distance Measuring Equipment (VOR/DME) and Global Positioning System (GPS) approach. The VOR approach utilizes the Chicago Heights VOR located approximately nine miles southwest of the airport. A Non-Directional Beacon (NDB) and GPS approach serve Runway 30. The NDB approach utilizes the Garie NDB, located approximately four miles southeast of the airport. The Garie NDB also serves as the outer marker for the ILS approach. Runway 20 has a GPS approach.

### ***Airspace and Airport Traffic Control***

The location of Gary/Chicago International Airport and the demands it places upon the airspace and the airport traffic control (ATC) system affect the ability of aircraft to readily and efficiently land and depart from the airport. This in turn affects the capacity and accessibility of the airport.

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<sup>11</sup> Gary/Chicago Airport Authority, prepared by HNTB Corporation. *Gary/Chicago Airport Master Plan Update*. Chapter 3. November 2001.

Regional Airspace: The Gary/Chicago International Airport lies within Class D airspace that extends out five geographic miles from the center of the airport and up to an altitude of 3,100 feet above MSL. This airspace lies at the periphery of and is intersected by the Class B airspace of Chicago O'Hare International Airport. The Class B airspace, which extends on a radius of 25 statute miles from Chicago O'Hare International Airport and up to an altitude of 10,000 feet MSL, partially covers the Gary Class D airspace. As a result, Chicago O'Hare International Airport is the dominant ATC facility for the region. The airspace environment surrounding the Gary/Chicago International Airport is shown in **Exhibit 1-7**. There are numerous airports within or adjacent to the O'Hare Class B airspace, including five airports with operating control towers. Chicago O'Hare International Airport and Chicago-Midway International Airport are also two of the busiest airports in the country. This creates a complex and congested ATC environment. As a result, operational controls are used to assist ATC in handling the air traffic demand. ATC personnel coordinate runway usage at O'Hare, Midway, and Gary/Chicago airports, and assign altitude restrictions and flight corridors used to separate air traffic. Three standard arrival routes (STARS) are used to sequence arriving aircraft into Gary/Chicago International Airport. STARS are used by ATC to simplify aircraft routing and clearance delivery; this helps to ensure the smooth flow of IFR traffic into the Chicago area.

To better accommodate the Boeing corporate fleet, including the BBJ now housed and maintained at the Gary/Chicago International Airport, an application has been made to the FAA for the establishment of a Special Instrument Approach Procedure to Runway 12. This new approach procedure would allow Boeing jets, when appropriately equipped and flown by a crew with the appropriate certification, to fly an instrument approach with vertical flight path guidance to Runway 12. This approach would provide increased capability to use the airport when there are strong southeast winds and marginal weather conditions exist. The FAA has not yet established minimums for this approach.

With the introduction of new scheduled charter service by Southeast Airlines, there was a desire to ensure proper departure clearance over the EJ&E Railway tracks. In February 2004, a Positive Separation Agreement was executed between the EJ&E Railway, Gary/Chicago Airport Authority, and Southeast Airlines. Under this agreement, procedures have been established to coordinate temporary suspension of EJ&E Railway operations during departures by Southeast Airlines from Runway 30. This agreement provides use of this procedure for up to ten operations per week.

Both the Special Instrument Approach Procedure to Runway 12 and the Positive Separation Agreement are discussed more fully in Chapter 6, Cumulative Impacts, of this EIS.

Airport Traffic Control Tower: The Airport Traffic Control Tower (ATCT) is located in the southeast quadrant of the airport (south of Runway 12-30 and east of Runway 2-20). It is operated as a Contract Tower, meaning that the staff members of the ATCT are not employees of the FAA; however, they follow the same standards and utilize the same ATC practices as their FAA counterparts. Through





NOT FOR NAVIGATION

Source: Chicago Sectional Aeronautical Chart, October 30, 2003.



# EXHIBIT 1-7 Airspace Surrounding Gary/Chicago International Airport

April 8, 2004

Letters of Agreement (LOAs), the ATCT coordinates with Chicago Approach Control and provides necessary ATC service to aircraft operating at Gary/Chicago International Airport. The ATCT is a (17-hour tower) operating from 5 a.m. to 10 p.m., seven days a week. The visibility from the ATCT to all pertinent areas of the field and the approach paths themselves is unimpeded, with no obvious blind spots or obstructions.

### ***Other Support Facilities***

Aircraft Rescue and Fire Fighting Facilities: The Aircraft Rescue and Fire Fighting (ARFF)/Safety Building, located midfield and adjacent to the passenger terminal, houses the ARFF equipment. The west side of this building is a hangar used by the Gary Police Department for two in-service helicopters and related equipment. In addition to the hangar and vehicle bays, the facility also includes offices and lounge areas.

Fuel Storage: Fuel storage is located on the north side of the airport, east of Runway 20. All fuel tanks are above ground and are owned by the airport. They include Jet-A fuel, 100LL fuel, diesel fuel and auto fuel. All aircraft fueling operations are handled by the FBO using mobile fuel trucks. The Gary/Chicago Airport Authority uses the other fuels.

Airport Maintenance Facilities: The Airport Maintenance Building is located just east of Runway 20 and stores snow equipment, tractors, mowers, pickup trucks and a snow broom.

## **1.3 RUNWAY SAFETY AREA IMPROVEMENT – FAA PRIORITY EMPHASIS**

The Runway Safety Area (RSA) is an integral part of the airport environment. Its relationship to airport design criteria is described in more detail in Chapter 2, Purpose and Need, of this EIS. The RSA dimensions are established in FAA Advisory Circular 150/5300-13, *Airport Design*, and are intended to provide a measure of safety in the event of an aircraft's leaving the runway by significantly reducing the extent of personal injury and aircraft damage during overruns, undershoots, and veer-offs. FAA Order 5300.1F, *Modifications to Agency Airport Design Construction, and Equipment Standards*, does not allow a modification [waiver] for RSA standards. Instead, a RSA needing improvement is defined as nonstandard until and unless it is improved to all current standards. Advisory Circular 1500/5300-13, *Airport Design*, was updated by change 7 to be compatible with Orders 5200.8 and 5300.1F. Change 7 also provides new guidance for minimizing the impact of navigational aids on the RSA.

### **1.3.1 FAA's Runway Safety Area Program**

FAA's Runway Safety Area Program, which was initiated on October 1, 1999, established the objective that all RSAs at Federally obligated airports and all RSA at airports certificated under 14 Code of Federal Regulation (CFR) Part 139 shall conform to the standards contained in AC 150/ 5300-13, *Airport Design*, to the extent practicable. Gary/Chicago International Airport is certificated under Part



139. An accompanying goal was to accomplish this compliance by the end of Fiscal Year 2007. To do this, FAA collects data on a continuing basis on the status of RSA improvements at these airports. The FAA places a high priority on improving the safety of the operational environment at airports like Gary/Chicago International Airport. The RSA system at an airport is an important component for enhancing airport safety. Unfortunately many RSAs do not meet current standards –they are too small, they contain unnecessary objects, or they do not meet grading or construction requirements. This is the case at Gary/Chicago International Airport for Runway 12-30. Any RSA that does not meet current standards possesses an increased risk to any aircraft that leaves the runway surface during takeoff and landing operations.

FAA's Office of the Associate Administrator for Airports has established a policy to address this shortfall nationwide and accomplish the aforementioned goal and objective. FAA Order 5200.8, *Runway Safety Area Program*, establishes procedures for documenting the best practicable alternative for improving an RSA. The Order requires that data be collected and maintained, including an object inventory, and a written determination of the best practicable alternative for improving each RSA at Part 139 certified airports like Gary/Chicago International Airport, and at other airports that are federally obligated. The Order also requires FAA to continually examine and revise determinants for practicable improvements until each RSA meets current standards.

### **1.3.2 RSA Determination Letter for Gary/Chicago International Airport**

The Gary Chicago International Airport on September 8, 2000 received a copy of the Runway 12-30 Runway Safety Area determination, made by the FAA's Great Lakes Region Airports Division. This determination was completed in accordance with FAA Order 5200.8, *Runway Safety Area Program*, dated October 1, 1999. The determination rendered was based on the most current information available to FAA. This was the result of data collection that was part of the Runway Safety Area Inventory (RSAI) completed in 2000 that established the baseline conditions at Gary/Chicago International Airport. The 2000 RSAI contains a list of all objects that are located inside the RSA. Each runway end had a written determination of the best practicable alternative for improving the RSA (in accordance with Order 5200.8). The determination was signed by the regional Airport Division Manager and includes supporting documentation for the determination, including detailed records from the Airport Improvement Program (AIP) of every AIP grant for the Airport. The Gary/Chicago International Airport was informed that its Runway 12-30 does not conform to current RSA design standards. FAA outlined in the RSA determination some of the options available to bring the runway into conformance with recurrent FAA standards. The projects associated with this safety related initiative, unlike projects associated with capacity efforts are not based on forecasts of operations. FAA emphasized that the ultimate responsibility for ensuring that all existing and future RSAs on the airport comply with current standards lies with the airport owner/operator, the Gary/Chicago Airport Authority. FAA keeps this determination on file, and when more current or updated information becomes available it will reevaluate the determination and revise it if necessary.

### **1.3.3 Airport's Response to FAA's RSA Determination Letter**

In response to this RSA Determination Letter, the airport and its consultant, assisted by FAA staff, have undertaken several efforts to enhance aviation safety at Gary/Chicago International Airport. One effort in this regard was the airport's preparation of the 2001 Airport Master Plan that FAA reviewed and provided comments. An associated effort was the development by the airport of a revised Airport Layout Plan that FAA reviewed, commented upon and conditionally approved in 2001. These two documents along with several other documents and studies prepared during the EIS process are the basis for the majority of projects proposed by the airport that are being assessed in this EIS.

FAA continues to ensure that all existing and future RSA comply with appropriate FAA design criteria by validating these projects. This is done by close coordination with the parties or organizations that would be responsible for accomplishing the projects. RSA construction projects need to be coordinated by the Airport with various FAA lines of business and NAVAID projects need to be closely coordinated with the FAA Airways Facilities office. FAA staff also meets regularly with the Gary/Chicago Airport Authority to develop and coordinate the Airport Capital Improvement Plan (ACIP). The ACIP is a consolidated plan of expenditures by the airport and serves as a basis for the distribution of AIP grant funds. ACIP meetings have been an ideal opportunity to review planned projects and RSA improvement needs with the airport. The validation process begins by determining whether the project contributes to improvement of an RSA. RSA improvements imply that the final condition will be closer to meeting RSA standards than the current condition. For each project, FAA compares the final result with the current condition. However, before a project can be implemented it requires completion of the environmental process. FAA is not allowed to make a commitment to fund a project, even a safety project, prior to an official Finding of No Significant Impact or a Record of Decision, and that is one of the reasons for this EIS.

## **1.4 AVIATION FORECAST SUMMARY**

### **1.4.1 Enplanements and Passenger Aircraft Departure Forecasts for Gary**

Three projections for future passenger enplanements and passenger aircraft departures were developed in the 2001 Airport Master Plan: low or base, mid and high case forecasts. On January 3, 2000, the FAA found the low case forecast to be acceptable and approved that forecast for the purposes of planning airport development at Gary/Chicago International Airport for the next five years.<sup>12</sup> The low case forecast assumed the Gary/Chicago International Airport passenger enplanements would increase during the next two decades (from 2000-2020) at the same or a similar rate as forecast by the FAA for domestic scheduled air carriers in its Aerospace Forecast FY 1999-2010. The low case forecast used an estimated annual base of 48,800 enplanements in 2000 (an

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<sup>12</sup> Federal Aviation Administration, Airport District Office – Pené A. Beversdorf, Assistant Manager; Letter to Nicholas L. Nesta, Project Manager, HNTB Corporation, January 3, 2000.

Casino Express activities that were expected during that year). The actual enplanements during calendar year 2000 were 24,588. Enplanements at Gary/Chicago International Airport totaled 21,194 passengers during calendar year 2001; 8,275 passengers during 2002; 1,500 (estimated-not yet available) during 2003; with approximately 35,000 expected during 2004.

On the other hand, the mid case developed for the 2001 Airport Master Plan showed total passenger enplanements for the year 2020 to occur at the level of 825,900 and the total operations of passenger air carrier aircraft were expected to reach 29,388. This is similar to activity levels forecast by the State of Illinois for the proposed South Suburban Airport whose market area overlaps with Gary/Chicago International Airport to a certain extent. However, as explained later in this section, the way FAA's official forecasts are developed for existing airports, the FAA Terminal Area Forecasts (TAF) usually, except for large hubs, takes into account only existing trends, with some accommodation of well-documented future commitments by existing and future airport users. Not accommodated in the FAA's current 2003 TAF for Gary/Chicago International Airport are additional operations recently announced by Southeast Airlines, after the 2003 TAF was published. Both Gary/Chicago International Airport and the proposed South Suburban Airport (if built) could attract passengers from the same service areas as Chicago O'Hare International Airport and Chicago Midway International. However, for Gary/Chicago International Airport the number of passengers attracted from O'Hare and Midway service areas is expected to be minimal and not significant when compared to the amount of passengers currently served by those airports. It is probable that if the South Suburban Airport would be built, that it too would eventually have a TAF that is significantly less than its master plan forecasts if it does not have well-documented future commitments by existing and future airport users.

**Exhibit 1-8** provides details on the projected passenger enplanements and passenger aircraft operations that would result in the low case. The low case forecast assumes that the level of enplanements would increase at an annual growth rate of 3.4 percent from 2000 to 2020, the national average annual growth rate for domestic air carrier enplanements from 1999 to 2010 as forecast by the FAA in its Aerospace Forecast FY 1999-2010. Based on this growth rate, there are 95,242 annual enplanements forecast for Gary/Chicago International Airport in 2020. In the most recent FAA Aerospace Forecast FY (Fiscal Year) 2003-2014, domestic air carrier enplanements were forecast to increase at an average annual growth rate of 3.5 percent for that 12-year period, similar to the 3.4 percent growth rate used in the preparation of the 2001 Airport Master Plan forecasts.

**EXHIBIT 1-8**  
**GARY/CHICAGO INTERNATIONAL AIRPORT**  
**Projected Passenger Enplanements and Passenger Aircraft Operations**  
**Low Case**

Year	Total Passenger Enplanements (a)	Passenger Distribution (b)		Average Seats Per Aircraft (c)		Average Load Factor (d)		Enplanements Per Aircraft Departure		Passenger Aircraft Operations	
		Air Carrier	Commuter	Air Carrier	Commuter	Air Carrier	Commuter	Air Carrier	Commuter	Air Carrier	Commuter
		Historical									
1997*	2,011	2,011	-	124.0		57.9%		71.8		56	
Projected											
2005	57,680	57,680	-	148.0		50.0%		74.0		1,550	
2010	68,175	68,175	-	148.0		50.0%		74.0		1,832	
2020	95,242	95,242	-	148.0		50.0%		74.0		2,558	

(a) Passenger Enplanements for 2000 based on Pan Am service of 12 weekly departures averaging 75 enplanements per flight plus 2,000 enplanements on 38 Casino Express departures. Growth based on FAA Aerospace Forecasts FY 1999-2010.

(b) Passenger Distribution based on expansion of Pan Am and Casino Express service only, so no commuter enplanements forecast in low case.

(c) Average Seats per Aircraft based on weighted average seating of Pan Am 727 and Casino Express 737-200.

(d) Average Load Factors assumed to be 50% since this is close to breakeven. Lower loads would be unsustainable over long term.

\*Actual 2000 enplanements – 24,588 passengers, 2001 enplanements 21,194 passengers, 2002 enplanements 8,275 passengers, and 2003 enplanements estimated 1,500 passengers (not yet available) per airport and FAA records; approximately 35,000 enplanements expected in calendar year 2004.

Sources: Aerofinity, 2004 and 2001 Airport Master Plan Update, November 2001, HNTB.

As part of the EIS preparation process, the assumptions of the low case forecasts were revisited in light of post-2001 realities and in light of the potential new users that continue to meet with representatives from the airport. The inauguration of air service by Southeast Airline in February of 2004 also fits the profile of service that the 2001 Airport Master Plan forecasts were based upon. This review has found the low case forecast to still be reasonable for airport planning purposes. However, the 2001 Airport Master Plan forecast is greater than 10% more than the TAF for 2003. Neither forecast is being used as justification for the project.

The review of the nationwide post September 11, 2001 trends found the air travel industry demonstrates cyclical behavior similar to the economic effects other industries endure on a fairly recurring basis. However, global incidents tend to have a more profound effect on the air travel industry than other industries. The current cycle began with the bursting of the high-technology stock market “bubble” in the second quarter of 2000. For the first three quarters of 2001, the downturn in airline enplanements was attributed to the normal cyclical nature of the airline industry responding to the economic slowdown and the seasonality of air traffic demand. Historically, the first and fourth quarters of any year have typically demonstrated soft demand for air travel. September 11<sup>th</sup>, occurring when it did, further exacerbated this cycle.

In addition to the typical economic vagaries and industry cycles, the events of September 11<sup>th</sup> precipitated an extreme downward cycle in air passenger enplanements that has not been witnessed since the first Gulf War in 1990-1991. Along with the decreases in total passengers, airline costs have risen dramatically, mostly due to taxes to subsidize security and increased insurance costs. This has prevented a quick industry turn-around and has contributed to massive economic losses for the large mainline airlines. The following factors have been reported by the Air Transport Association as having further hampered the recovery of the airline industry<sup>13</sup>:

- Customer avoidance of air travel
- Government tax policy
- Security practices
- Escalating insurance costs
- Higher fuel prices.

These factors have caused the most severe short-term downturn in modern aviation history<sup>14</sup>, and have been referred to by the Air Transport Association as “The Perfect Economic Storm”. In order to alleviate the economic losses, the airlines have resorted to several measures that have mainly served to reduce capacity and the associated costs of that excess capacity. This has resulted in airlines reallocating fleets, restructuring routes, and reducing staff. The capacity downshift is aimed at right-sizing fleets and eliminating less profitable routes in order to match demand. This has included reducing fleet size by parking aircraft in long-term storage facilities and reducing the size of aircraft. In addition, the airlines have been increasingly utilizing Regional Jet (RJ) aircraft on routes that cannot be served profitably with larger, narrow-body aircraft.

Capacity reduction has also involved the reduction in total destinations served by the mainline carriers. Typically, airlines will reduce service or discontinue service to those destinations that are less profitable when compared with other routes. The airlines will then concentrate their resources on those routes that have a higher-yield and are therefore more profitable. As a result, the aircraft that were used to serve these routes are typically removed from active service and parked in a storage facility. As mentioned in the previous paragraph, in some cases main-line carriers have been replacing narrow-body aircraft with RJ's. However, the RJ implementation strategy has had a more profound impact on reducing the total turbo-prop fleet than on replacing larger air carrier aircraft.

As a result of the capacity reduction by the mainline carriers, there is a proliferation of single-aisle, narrow-body aircraft that are available for purchase and/or lease at historically low costs. Typically, these aircraft are the earlier generation 737's (100-200 series), MD-80 series, and 727's, that are Stage 3 compliant. The mainline carriers are replacing these aircraft with newer generation single-aisle aircraft such as the 737-700 and 800 series and the Airbus A320.

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<sup>13</sup> Air Transport Association. *Airlines In Crisis – The Perfect Economic Storm*, 2003.

<sup>14</sup> The Boeing Airplane Company, *Current Market Outlook* 2003.



This has allowed small start-up air carriers and charters to initiate service to locations associated with leisure travel such as Las Vegas and Florida using the larger aircraft from secondary cities. This model allows the start-up carriers to maintain close proximity to large urban centers while avoiding the high-costs of operating at medium or large hub airports. These carriers are utilizing the low cost model that has worked successfully for Southwest Airlines, Air Tran, Frontier and Jet Blue Airlines. Southeast Airlines fits this scheduled air service profile although it is actually a scheduled charter. The low case forecasts that one scheduled airline operator and one charter operator would provide airline service at Gary/Chicago International Airport, the fleet mix for the low case is based on the fleets shown in **Exhibit 1-9**. These service assumptions were also found to be reasonable for this planning process.

<b>EXHIBIT 1-9</b> <b>GARY/CHICAGO INTERNATIONAL AIRPORT</b> <b>Passenger Air Carrier Fleet Mix and Aircraft Size Forecast</b> <b>Low Case</b>					
	<b>Average Seats</b>	<b>1997</b>	<b>2005</b>	<b>2010</b>	<b>2020</b>
<b>Medium Narrow-body (117-135 seats)</b>					
Boeing 737-200 (a)	124	100%	4%	4%	4%
<b>Large Narrow-body (144-185 seats)</b>					
Boeing 727-200 (b)	149	0%	96%	96%	96%
Total		100%	100%	100%	100%
Average Seats per Aircraft		124.0	148.0	148.0	148.0
(a) Casino Express has 124-seat Boeing 737-200s. (b) Pan Am had 149-seat Boeing 727-200s; used as basis for potential scheduled airline service activity. (c) CityLink Airlines not included in low case, so no MD-80s included in fleet mix. (d) Southeast Airlines operates MD-80 with 167 seats.					
<i>Sources: Aerofinity, 2004 with excerpt from 2001 Airport Master Plan Update, November 2001, HNTB.</i>					

**Exhibit 1-10** summarizes the aircraft operations forecasts from the 2001 Airport Master Plan. The years 1998-2003 are the historical operations that have occurred since the 2001 Airport Master Plan forecasts were prepared, as 1997 was the last year of historical data at the time the forecasts were prepared. The 1998-2003 historical operations are based on the tower counts during its operating hours. Representative months of Instrument Flight Rule (IFR) records for the Gary/Chicago International Airport were used to estimate the 1998-2003 operations occurring during the hours when the tower was closed. From these records, an additional 1.15% of operations occur during period when the tower is closed.

As done earlier for the enplanements forecast, the mid case forecast of the 2001 Airport Master Plan for total aircraft operations are discussed. They show that total aircraft operations for the year 2020 under the mid case forecast would be approximately 119,396. FAA's Terminal Area Forecast (TAF) for the year 2020 is much lower at 55,952. Again the way FAA develops its TAF forecast usually only

**EXHIBIT 1-10**  
**GARY/CHICAGO INTERNATIONAL AIRPORT**  
**Aircraft Operations**

Airport Traffic Control Tower Operational Counts					
Year	Air carrier, air taxi and air cargo	General Aviation	Military	Total	Adjusted Total
Historical Operations					
1997	688	63,104	502	64,294	NA
1998	647	60,506	663	61,816	62,527
1999	1,150	49,047	981	51,178	51,767
2000	2,572	49,035	1,127	52,734	53,340
2001	1,864	44,108	1,242	47,214	47,757
2002	2,127	49,125	1,847	53,099	53,710
2003	1,350	43,302	1,513	46,165	46,696
Airport Master Plan Forecasts (2001) below					
2005	2,552	72,728	224	75,504	NA
2010	3,116	77,464	224	80,804	NA
2020	4,468	87,874	224	92,566	NA

*Source: 2001 Airport Master Plan Update, November 2001, HNTB; Gary/Chicago Airport Traffic Control Tower Records 1998-2003; Gary/Chicago Airport IFR Operations, April 2000, October 2000; Aerofinity, Inc., 2003. (Please note: 2001 Airport Master Plan forecast did not anticipate the growth to occur in future military operations; however, forecasts did predict increased operations by users such as Boeing and Southeast Airlines.)*

takes into account existing trends, with some accommodation of well-documented future commitments of existing and future airport users. Not accommodated in the FAA's current 2003 TAF for Gary/Chicago International Airport are additional operations expected with the relocation of the Boeing Headquarters corporate aircraft to Gary/Chicago International Airport from St. Louis Lambert International Airport and Chicago Midway International Airport. This is expected to increase operations by nearly 3,000 by the year 2007. Also not included are additional operations recently announced by Southeast Airlines after the 2003 TAF was published and the proposed development of an Indiana Army National Guard helicopter base at the airport (already congressionally approved and expected to be completed in 2007). These are expected to increase aircraft operations by another 4,000 by 2007. As these plans are firmed up during the next year, it is expected that the year 2004 TAF will reflect these increases in operations.

**Exhibit 1-11** summarizes the Terminal Area Forecasts that are prepared and published by the FAA each year. This FY 2003 TAF forecast takes into consideration the current conditions of the start up of scheduled passenger service at the Gary/Chicago International Airport and national trends. The 2001 Airport Master Plan included a study of passenger activity in the Chicago area and at the Gary/Chicago International Airport to prepare forecasts of the passenger activity and operations anticipated at the Gary/Chicago International Airport for three scenarios. The TAF is used for planning by the FAA for items such as manpower needs and cost benefit study for navigation aids and letters of intent for

**EXHIBIT 1-11**  
**APO Terminal Area Forecast Detail Report**

Region State: City:	AGL-IN GARY	LOCID: GYY Contract Tower Airport: GARY/CHICAGO INTERNATIONAL													
		AIRCRAFT OPERATIONS													
		Scheduled Enplanements				Itinerant Operations				Local Operations				Total Instrument Operations	Based Aircraft
		Air Carrier	Commuter	Total	Air Carrier*	Commuter	GA	Military	Total	GA	Military	Total	Total OPS		
1992	122	2,140	2,262	1,565	2,699	20,283	940	25,487	29,490	-	-	29,490	54,977	-	116
1993	1,064	2,006	3,070	1,565	2,699	20,283	940	25,487	29,490	-	-	29,490	54,977	-	116
1994	1,386	91	1,477	156	1,034	16,957	399	18,546	21,172	482	482	21,654	40,200	5,522	86
1995	1,637	-	1,637	227	1,711	21,668	452	24,058	35,997	575	575	36,572	60,630	6,234	112
1996	1,476	-	1,476	162	1,237	22,929	327	24,655	36,958	431	431	37,389	62,044	7,483	101
1997	2,178	-	2,178	140	508	23,731	340	24,719	36,194	551	551	36,745	61,464	7,101	101
1998	1,555	-	1,555	170	636	26,261	173	27,240	37,401	85	85	37,486	64,726	8,193	101
1999	2,351	-	2,351	231	718	20,608	422	21,979	27,720	412	412	28,132	50,111	7,067	77
2000	17,537	-	17,537	1,616	830	20,441	480	23,367	31,281	746	746	32,027	55,394	8,714	77
2001	23,058	-	23,058	1,260	766	19,352	544	21,922	25,809	752	752	26,561	48,483	8,400	89
2002	11,382	-	11,382	701	1,627	21,358	727	24,413	25,306	1,052	1,052	26,358	50,771	8,932	92
2003*	2,969	-	2,969	316	1,002	20,708	671	22,697	24,047	834	834	24,881	47,578	8,281	92
2004*	7,000	-	7,000	347	1,002	21,058	671	23,078	24,172	834	834	25,006	48,084	8,389	93
2005*	14,000	-	14,000	600	1,002	21,409	671	23,682	24,297	834	834	25,131	48,813	8,480	94
2006*	14,000	-	14,000	600	1,002	21,760	671	24,033	24,422	834	834	25,256	49,289	8,573	95
2007*	14,000	-	14,000	600	1,002	22,110	671	24,383	24,547	834	834	25,381	49,764	8,666	95
2008*	14,000	-	14,000	600	1,002	22,461	671	24,734	24,672	834	834	25,506	50,240	8,759	97
2009*	14,000	-	14,000	600	1,002	22,812	671	25,085	24,797	834	834	25,631	50,716	8,851	98
2010*	14,000	-	14,000	600	1,002	23,163	671	25,436	24,922	834	834	25,756	51,192	8,944	99
2011*	14,000	-	14,000	600	1,002	23,514	671	25,787	25,047	834	834	25,881	51,668	9,037	100
2012*	14,000	-	14,000	600	1,002	23,865	671	26,138	25,172	834	834	26,006	52,144	9,130	100
2013*	14,000	-	14,000	600	1,002	24,216	671	26,489	25,297	834	834	26,131	52,620	9,221	101
2014*	14,000	-	14,000	600	1,002	24,566	671	26,839	25,422	834	834	26,256	53,095	9,314	103
2015*	14,000	-	14,000	600	1,002	24,917	671	27,190	25,547	834	834	26,381	53,571	9,407	104
2016*	14,000	-	14,000	600	1,002	25,268	671	27,541	25,672	834	834	26,506	54,047	9,500	104
2017*	14,000	-	14,000	600	1,002	25,619	671	27,892	25,797	834	834	26,631	54,523	9,592	105
2018*	14,000	-	14,000	600	1,002	25,970	671	28,243	25,922	834	834	26,756	54,999	9,685	106
2019*	14,000	-	14,000	600	1,002	26,321	671	28,594	26,047	834	834	26,881	55,475	9,778	107
2020*	14,000	-	14,000	600	1,002	26,672	671	28,945	26,173	834	834	27,007	55,952	9,871	110

\*This category includes both scheduled and unscheduled air carrier (60 seats or more) operations. Operations may include passenger or cargo aircraft.

Source: Federal Aviation Administration, Chicago Airports District, February 18, 2004.

development projects where the sponsor is seeking federal funds in excess of \$5 million. The forecasts prepared by the Airport in its 2001 Airport Master Plan are used for the airport's planning. In this EIS, the 2001 Airport Master Plan was examined with regard to the post September 11, 2001 economy. The events of September 2001 have changed some of the dynamics associated with the airline industry and the Gary/Chicago Airport Authority is staying abreast of these changes in order to respond to new trends. Potential new users continue to meet with representatives from the airport. The Gary/Chicago International Airport is marketing to achieve at least the low case 2001 Airport Master Plan forecasts. In reviewing the current relevancy of the low case 2001 Airport Master Plan forecasts, it was noted that even if the actual activity levels were dramatically reduced from the forecast amount or moderately increased, the resulting demands for facility improvements remain generally consistent as most of the proposed improvements being assessed are to increase the margin of safety and operational efficiency for the existing users and to bring the airport into compliance with FAA standards as described earlier in this chapter. Other improvements would assist the airport in providing support facilities should that low case forecast occur.

In the current economy, the FAA's 2003 TAF (released February 18, 2004) for the Gary/Chicago International Airport is less than the 2001 Airport Master Plan's low forecasts. This is due in part to the loss of scheduled air carrier service in 2002. It is also the result of the way the TAF is developed by the FAA. Except for forecasts for large hub airports, the FAA's TAF forecasts are largely based on past trends. These trends do not necessarily reflect the potential demand for air services, but may instead reflect the trends associated with issues at an airport such as establishing or closing a flight school, extensive maintenance causing runway closures, the lack of gates and/or hangars for aircraft wanting to be based there, and the lack of runway length. Therefore, the TAF is unlikely to reflect the potential growth of operations in the long term from development being proposed in the 2001 Airport Master Plan since most airlines and aircraft operators are unwilling to disclose or commit to long-term development plans in enough specificity that the FAA would base its future TAF projections of aircraft operations on it. For example, Southeast Airlines and the Gary/Chicago Airport Authority withheld the announcement of additional operations and a new location until the inaugural flight commenced. This was after the 2003 TAF was published. Likewise, there was a reluctance to include the operations from the proposed development of an Indiana Army National Guard Helicopter Base at the airport (already congressionally approved, and expected to be completed in 2007) until compliance with the National Environmental Policy Act is completed. Therefore, it can be seen that the TAF also tends to reflect the short-term marketing efforts of the airport and airlines, and the passengers' response to these efforts. On this basis, the Gary/Chicago Airport Authority continues to market the airport to airlines and other airport users, with its most recent success resulting in new scheduled air service at the airport that commenced in February 2004 by Southeast Airlines. In the short term, the TAF and 2001 Airport Master Plan forecasts for Gary/Chicago International Airport do not match and are not within 10% of each other as usually expected. However, FAA policy dated May 21, 2002<sup>15</sup> allows

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<sup>15</sup> Federal Aviation Administration. Memorandum "Review and Approval of Aviation Forecasts." by APP-500. May 31, 2002.

greater differences where the forecasts aren't being used to justify a project. Nevertheless, since the FAA's TAF forecasts are reevaluated annually, it is anticipated that in the long term, the future TAF forecasts and the airport's existing 2001 Airport Master Plan forecast will converge as air carrier and air cargo service is established and/or expanded, and efforts to attract corporate general aviation and military aircraft are successful.